(b) whether the HSL itself is taking necessary steps to improve the performance; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI HUKUMDEO NARAYAN YADAV): (a) With a view to improving the competitiveness of Shipyards, including the Hindustan Shipyard Ltd., (HSL) Visakhapatnam as a policy measure, Government have modified the Shipbuilding Subsidy Scheme in August, 2000 which, *inter-alia*, envisages payment of shipbuilding and interest differential subsidy, both on domestic and export orders. An Indian owner placing order on public sector shipyard for ship acquisition will be permitted either to raise funds from external commercial borrowings or from Indian financial institutions. In case the loan is raised from Indian financial institutions, interest differential up to 5% above the rate of 9% will be subsidized by Government. Besides, the capital base of HSL was restructured in August, 1997 by writing off of Government loan and interest up to 31.3.95 to the extent of Rs. 470.93 crore and conversion of Government loan of Rs. 120.20 crore into equity. Government have also been assisting the shipyard in their effort for improving the order book position by obtaining orders on nomination basis from Ports and other PSUs of this Ministry. With the concerted efforts of the Government, the rate of sales tax leviable on the Shipbuilding activity has been brought down to a uniform rate of 4% with effect from 9.12.99.

(b) and (c) Hindustan Shipyard Ltd., Visakhapatnam has also been making all possible efforts to improve its performance by reducing the unproductive expenditure and taking steps to improve the productivity. Other measures taken in this regard, include aggressive marketing by way of vigorous pursuance with clientele; laying thrust on contributory orders of shipbuilding; increasing the turnover of ship repairs; undertaking retrofit work of submarines etc. With these measures, HSL has been able to improve its shipbuilding order book position, which is presently to the tune of Rs. 300 crore approximately. HSL has also initiated action for having its viability study done through an internationally reputed consultant so as to adopt a long-term strategy for attainig the turn around.

Stagnation in Growth of Cargo at Ports

1721. SHRI P. PRABHAKAR REDDY: Will the Minister of SHIPPING be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned "Ports signal resource crunch as Cargo growth stagnates" appeared in the Pioneer dated 3rd October, 2000;

(b) if so, what is Government's reaction thereto; and

(c) what steps are proposed to be taken to ensure a quantum growth in Cargo volume so that major parts do not slip into the red?

THE MINISTER OF STATE IN THE MINISTRY OF SHIPPING (SHRI HUKUMDEO NARAYAN YADAV): (a) Yes, Sir. The overall volumes of cargo handled at Major ports are steadily on rise.

(b) Does not arise.

(c) The ports have no control over the cargo volume generation, which depends on country's overall volume of trade. However, the management of the major ports have initiated marketing efforts to attract more cargo to their ports.

Decline in tourist inflow

1722. SHRI S.S. AHLUWALIA: Will the Minister of TOURISM AND CULTURE be pleased to refer to answer to Unstarred Question 229 given in the Rajya Sabha on 21st November, 2000 and state;

(a) whether Government are aware that share of our country in the world tourist arrival has been consistantly very low compared to even smaller and, apparently, insignificant tourist destinations in the countries in our neighbourhood;

(b) whether it is a fact that such poor turnout of international tourists has been attributable to high rate of taxes on tourism and its infrastucture like hotels, etc., besides ineffective publicity abroad; and

(c) if so, the details thereof?

THE MINISTER OF TOURISM AND CULTURE (SHRI ANANTH KUMAR): (a) India's share in world tourist arrivals is more than that of its neighbouring countries such as Nepal, Sri Lanka, Maldives, Pakistan, Myanmar, Bangladesh, Bhutan and Afghanistan. However, it is less than the share of China.

(b) There has been a growth of 5.2 per cent in tourist arrivals in the year 1999 and the growth is 6 2 per cent (provisional) upto November' 2000.